<u>REMARKS</u>

Applicants respectfully request reconsideration as follows:

The rejection of the pending claims as being obvious over Bell (USP 6,832,319) in view of Scheidt (USP 7,095,851)

Claim 1 has been amended to clarify that, as discussed on page 10, lines 1-12, Applicants pseudo-random number generator (e.g., an LFSR) generates a pseudo-random number that functions as the internal key. The data storage engine may then perform the act of "generating a combination key by combining a medium key with the internal key within the data storage engine." Note that Bell does not generate a combination key in this fashion. Instead, a Bell engine has device keys that as described with regard to Bell's Figure 6 and 8 are used to decrypt the "media key block" to provide a media key. As seen in Bell's Figure 5 (step 46) the media key is then combined with a media ID to provide a content key. Thus there is a glaring distinction between Applicants' method of claim 1 and Bell: Bell uses his device keys only to decrypt a media key block. Bell does not combine these device keys with a medium key to produce a content key as required by claim 1. This is an important distinction because the media key block is common to all Bell disks and thus vulnerable to hackers. In contrast, the method recited in Applicants' claim 1 is much more secure because the internal key is generated by a storage-engine-located pseudo-random number generator and thus a hacker has no access to it other than be a (very expensive and involved) reverse engineering of the generator. And even this hacking is insufficient because the seed to the generator must also be discovered.

Accordingly, the method recited in claim 1 is patentable over the Bell disclosure. The Scheidt reference does nothing to cure this fundamental flaw in Bell regarding the generation of the combination key. The remaining independent claims (14 and 20) are allowable over

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Bell and Scheidt for analogous reasons. Thus, all the pending claims are in condition for allowance.

CONCLUSION

For the above reasons, Applicants respectfully submit that pending Claims 1-2, and 6-21 are in condition for allowance and allowance of the application is hereby solicited. If the Examiner has any questions or concerns, a telephone call to the undersigned at (949) 752-7040 is welcomed and encouraged.

I hereby certify that this correspondence is facsimile transmitted to the Commissioner for Patents, Washington, D.C. 20231, at 571-273-8300, on Jung £1, 2007.

Ionalhan W Halloran

June 21, 2007 Date of Signature Respectfully submitted,

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